

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE)	
APPLICATION OF THE FUEL ADJUST-)	
MENT CLAUSE OF SHELBY RURAL)	CASE NO. 9756
ELECTRIC COOPERATIVE CORPORATION)	
FROM NOVEMBER 1, 1984, TO)	
OCTOBER 31, 1986)	

O R D E R

Pursuant to 807 KAR 5:056, Sections 1 (11) and 1 (12), the Public Service Commission ("Commission") issued its Order on November 14, 1986, scheduling a hearing to review the operation of the fuel adjustment clause of Shelby Rural Electric Cooperative Corporation ("Shelby") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge. Shelby was not required to appear at the scheduled hearing unless an appearance was requested by the Attorney General's Utility and Rate Intervention Division or other interested parties or by the Commission on its own motion.

Shelby filed all requested information, including its monthly fuel charges for the 2-year period under review and its affidavit of compliance with the provisions of the fuel adjustment clause as prescribed in 807 KAR 5:056. Following proper notice, no party of record requested Shelby to appear at the hearing scheduled for February 10, 1987.

The Commission approved a transfer (roll-in) of (1.46) mills per KWH to the base rates of Shelby's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 9731. Approval of East Kentucky's proposal requires that Shelby also be authorized to roll-in those same fuel costs to its base rates.

The Commission, having considered the evidence of record and being advised, finds that:

1. Shelby has complied in all material respects with the provisions of 807 KAR 5:056.

2. Shelby's wholesale supplier has been authorized to transfer (roll-in) to its base rates fuel costs of (1.46) mills per KWH in Case No. 9731.

3. Shelby should be authorized to decrease the rates charged its customers by 1.56 mills per KWH in order to transfer fuel costs rolled-in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 9731 and applicable line loss, and this can best be accomplished by a uniform reduction in all energy rates.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

IT IS THEREFORE ORDERED that:

- (1) The charges and credits applied by Shelby through the fuel adjustment clause for the period November 1, 1984, through October 31, 1986, be and they hereby are approved.

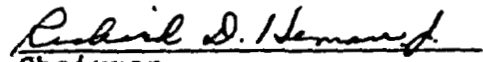
(2) Shelby be and it hereby is authorized to transfer to its base rates fuel costs transferred (rolled-in) by its wholesale supplier pursuant to Case No. 9731.

(3) The rates in Appendix A be and they hereby are approved for service rendered by Shelby on and after May 1, 1987, which is also the effective date for East Kentucky's rates.

(4) Within 30 days from the date of this Order Shelby shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of April, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9756 DATED 4/28/87

The following rates and charges are prescribed for the customers in the area served by Shelby Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATE 1 GENERAL SERVICE*

Rates:

Demand Charge:

First 20 KW of billing demand per month, no demand charge.
Excess of 20 KW of billing demand per month @ 4.50 per KW.

Energy Charge:

Consumer Facility Charge		\$ 7.18 (Minimum)
First	600 KWH per month	.07445 per KWH
Next	1400 KWH per month	.05954 per KWH
All Over	2000 KWH per month	.05822 per KWH

MINIMUM MONTHLY CHARGE:

The minimum monthly charge under the above rate shall be \$7.18. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with the terms of this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

The minimum monthly charge for three-phase service shall be \$1.00 per KVA of installed transformer capacity or the minimum monthly charge stated in the contract for service.

SPECIAL PROVISIONS:

Contract:

An "Agreement for Electric Service" shall be executed by the consumer for service under this rate schedule if the service is to be three-phase or if required by the Seller.

SPECIAL RULES:

Motors having a rated capacity in excess of ten horsepower (10 HP) must be three-phase. Motors in excess of five horsepower (5 HP) shall be provided with compensating starting equipment acceptable to the Seller.

**RATE 2
LARGE POWER SERVICE**

Rates:

Demand Charge

\$4.50 Per Month Per KW of Billing Demand

Energy Charge

First	100 KWH Per KW Demand	\$.05295 Per KWH
Next	100 KWH Per KW Demand	.04738 Per KWH
All Over	200 KWH Per KW Demand	.04182 Per KWH

AVAILABILITY:

Available to all consumers whose KW demand shall be greater than 50 KW, including residential and farm consumers who do not qualify under availability of service under Rate 1, located on or near Seller's line for all types of usage, subject to the established Rules and Regulations of Seller.

RATE 3
OUTDOOR AND STREET LIGHTING SERVICE*

Rates:

<u>Type of Fixture</u>	<u>Lumen Output</u>	<u>Monthly Charge</u>
Mercury Vapor or HPS	7,000 - 10,000	\$ 6.72
Mercury Vapor or HPS	20,000 - 30,000	\$ 9.59

RATE 4
STANDBY POWER RATE*

Rates:

Demand Charge

The identical demand rate billed by East Kentucky Power Corporation from the wholesale power invoice for that particular month.

Energy Charge

First	100 KWH per KW Demand	\$.05063 Per KWH
Next	100 KWH per KW Demand	.04473 Per KWH
All Over	200 KWH per KW Demand	.03886 Per KWH

*Fuel Adjustment Clause:

This rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not excess 10 percent and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

RATE 6
GENERAL SERVICE T-O-D*

Rates

On-Peak Rate	
Service Charge	\$7.18
Under 600 KWH/Month	.07445/KWH
Service Charge	16.13
601 to 2000 KWH/Month	.05954/KWH
Service Charge	18.76
Over 2000 KWH/Month	.05822/KWH
Off-Peak Rate	
Under 600 KWH/Month	.04300/KWH
601 to 2000 KWH/Month	.03405/KWH
Over 2000 KWH/Month	.03326/KWH